

Message Text

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SUBJ: MEDIA REACTION AUGUST 16-18, 1975 TO CANCELLATION OF
FRUIT COMPANIES CONCESSIONS

THE FRONT PAGE OF SATURDAY'S (AUGUST 16) TIEMPO WAS DEDICATED TO CHIEF OF STATE MELGAR'S FRIDAY NIGHT SURPRISE SPEECH CANCELLING ALL EXISTING CONCESSIONS AND STARTING A NEW ERA OF RELATIONS WITH THE BANANA COMPANIES. ALSO REPRODUCED IN THE EDITION OF TIEMPO WAS THE FULL TEXT OF COL. MELGAR'S SPEECH AND DECREE/LAW NO.253.

EL CRONISTA'S MONDAY HEADLINES (AUGUST 18) INDICATED THAT MELGAR'S POSITION WAS "THE MOST TRANSCENDENTAL DECISION OF THE CENTURY." THIS EDITION ALSO INCLUDED INTERVIEWS WITH EX-AMBASSADOR TO THE U.S., ROBERTO GALVEZ BARNES, WHO STATED THAT "HONDURAS IN RECOVERING ITS NATIONAL DIGNITY AND PROTECTING ITS RIGHTS WHILE BEING FAIR AND JUST WITH THE COMPANIES WHO HAVE COME TO HELP US INCREASE PRODUCTIVITY AND EXPORTS".

UNIVERSITY OF HONDURAS VICE-RECTOR VIRGILIO CARIAS WAS QUOTED AS SAYING, "THE ACTION WAS NOT DRASTIC AND DOES NOT RESPOND FULLY TO HONDURAN ASPIRATIONS".

LA PRENSA'S MONDAY EDITION QUOTES U.S. AMBASSADOR PHILLIP
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V. SANCHEZ AS STATING THAT THE HOPED "THIS ACTION WILL NOT

PROVOKE INTERNATIONAL REPERCUSSIONS". COMMENT:
AMBASSADOR'S ACTUAL COMMENTS WERE ALONG LINES OF
PRESS GUIDANCE STATED IN TEGUCIGALPA 3592. MOST
NEWSPAPERS AND COMMENTATORS QUOTED HIM ACCURATELY
ALTHOUGH IN A FEW CASES LINES WERE TAKEN OUT OF CONTEXT
TO FIT THE UNIVERSAL LINE THAT GOVERNMENT'S ACTION WAS
APPROPRIATE.

IN ANOTHER ARTICLE STANDARD FRUIT CO. EXECUTIVE MICHAEL ROTOLLO IS
QUOTED
AS SAYING THAT "THE 'COMPANY' WILL NOT DISCARD THE
POSSIBILITY OF INITIATING DIALOG WITH THE GOVERNMENT TO
BETTER UNDERSTAND ITS NEW BANANA POLICY."

AN EDITORIAL IN LA NOTICIA TITLED "NEW RELATIONS (BANANA
POLICY) STATES - "THE ACTION TAKEN BY THE CHIEF OF STATE
CREATES NEW RELATIONS BETWEEN OUR GOVERNMENT AND THE TWO
LARGER FRUIT COMPANIES, WHO HAVE CARRIED OUT ONE OF THE
MOST LUCRATIVE BUSINESSES IN THE COUNTRY EXERCISING A
POWERFUL INFLUENCE IN OUR NATIONAL LIFE."

THE EDITORIAL GOES ON TO STATE HOW THE "COMPANIES"
HAVE BEEN GRADUALLY LOSEING THEIR GRIP OVER THE DIFFERENT
GOVERNMENTS FROM "99, 75, 50 AND 40 YEAR CONCESSIONS"
IN THE OLD DAYS TO CONTRACT OF "5, 10 AND 20 YEARS WITH
PARTICIPATION OF THE HOST COUNTRY AS AN ASSOCIATE."

HOSPITALS, SCHOOLS, HOUSING, MEDICAL FACILITIES, FREE
RAILROAD TRANSPORTATION, ETC. ESTABLISHED BY THESE
COMPANIES IS ALSO MENTIONED.

THE EDITORIAL CONCLUDES THAT "THIS DECREE DOES NO MORE
THEN INSTITUTIONALIZE THESE CHANGES FORCING THE FRUIT
COMPANIES TO PAY PROPER TAXES AND BE SUBJECT TO THE LAW."

EL DIA DEDICATED ITS ENTIRE FRONT PAGE TO PHOTOGRAPHS AND
STATEMENTS OF PROMINENT FIGURES IN HONDURAS AND SHORT
QUOTES FROM EACH:

JORGE ARTURO REINA, RECTOR OF NATIONAL UNIVERSITY - "A
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SHAMEFUL PERIOD HAS ENDED IN THE HISTORY OF OUR COUNTRY."
HE ALSO PRAISED THE DECISION OF THE GOH TO INSIST ON
ADEQUATE COMPENSATION FROM UNITED BRANDS CO. FOR HAVING BRIBED
GOVERNMENT OFFICIALS.

JORGE FIDEL DURON - EX-FOREIGN MINISTER - "THIS WAS AN
EXPECTED AND NORMAL ACTION-IN NO WAY CAN THIS BE CONSIDERED
A LEFTIST MOVE. THIS IS SIMPLY A NATIONALISTIC MEASURE THAT

EVERY GOVERNMENT TAKES TO PROTECT ITS NATIONAL INTERESTS."

CONCLUSION

ALL MEDIA, WITHOUT EXCEPTION, FAVOR THE ACTION TAKEN BY THE
GOH AND BELIEVE THIS MOVE TO BE RESPONSIBLE, NECESSARY, IN
NO WAY EXTREMIST, AND ABOVE ALL, JUST.
SANCHEZ

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